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TRADE AND DEVELOPMENT BOARD
Twenty-seventh executive session
Geneva, 19 July 2001
Item 1 of the provisional agenda

ADOPTION OF THE AGENDA

I. PROVISIONAL AGENDA

1. Adoption of the agenda

2. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Activities undertaken by UNCTAD in favour of Africa

3. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:

   - Report of the Working Party on the Medium-term Plan and the Programme budget on its thirty-seventh session (first part 15-19 January 2001 and second part 11-12 June 2001)

4. Other matters in the field of Trade and Development:

   - Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-fourth session

5. Other business

6. Report of the Board on its twenty-seventh executive session

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Adoption of the agenda

The provisional agenda for the session is reproduced.

Item 2 - UNCTAD's Contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Activities undertaken by UNCTAD in favour of Africa

The report of the Secretary-General of UNCTAD contained in TD/B/EX(27)/2 is the fifth in a series of reports submitted annually to an executive session of the Trade and Development Board. It provides an overview of the general thrust of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. The report also provides information on activities being carried out in cooperation and coordination with other international organizations and in the context of the United Nations System-wide Special Initiative on Africa.

Item 3 - Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:

- **Report of the Working Party on the Medium-term Plan and the Programme budget on its thirty-seventh session (first part 15-19 January 2001 and second part 11-12 June 2001)**

The report of the Working Party on the first part of its thirty-seventh session is contained in document TD/B/48/2-TD/B/WP/138. The outcome of the second part of the session will be made available to the Board as soon as possible after the conclusion of the session.

Item 4 - Other matters in the field of Trade and Development:

- **Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-fourth session**

At its thirty-fourth session (30 April - 4 May 2001), the Joint Advisory Group (JAG) on the International Trade Centre reviewed ITC's technical cooperation activities in 2000 and adopted the report of the Consultative Committee on the ITC Global Trust Fund. The report of JAG is contained in document ITC/AG(XXXIV)/188.

Item 5 - Other business

Item 6 - Report of the Board on its twenty-seventh executive session

The Board may wish to authorize the Rapporteur to finalize the report on its twenty-seventh executive session under the authority of the President.

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UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s: ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD

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CONTENTS

Page

INTRODUCTION 4

POLICY RESEARCH AND ANALYSIS 4

A. Consideration by the Trade and Development Board of UNCTAD's contribution to the implementation of the UN-NADAF 4

B. *Least Developed Countries Report 2001* 5

SECTORAL ISSUES 5

A. International trade 5

1. UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP) 5

2. Integrated Framework for Trade-related Technical Assistance to Support Least Developed Countries in their Trade and Trade-related Activities 8

3. Third United Nations Conference on the Least Developed Countries 9

4. UNDP/UNCTAD Technical Assistance Programme for Africa 10

5. Commodities 10

6. TRAINMAR 11

7. TRAINFORTRADE 11

8. Technical Cooperation Project on Market Access, Trade Laws and Preferences 12

B. Services development 13

1. Coordinated African Programme of Assistance on Services (CAPAS) 13

2. Trade Point Programme 13

3. ASYCUDA 14

4. E-commerce 14

5. Transport 14

6. Insurance and finance 15

7. Multimodal transport and trade facilitation 15

C. Debt and debt management 16

1. Paris Club 16

2. HIPC initiative 16

3. Debt Management and Financial Analysis System (DMFAS) 16

D. International investment and enterprise development 17

1. Investment 17

2. Enterprise development 19

E. UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development 20

F. United Nations System-wide Special Initiative on Africa (UN-SIA) 20

INTRODUCTION

1. It is recalled that the Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the fifth in the series since the fifteenth executive session of the Board. It provides an overview of the general thrust of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information on the activities referred to in document TD/B/EX(25)/2, submitted to the twenty-fifth executive session of the Board in September 2000.

POLICY RESEARCH AND ANALYSIS

A. Consideration by the Trade and Development Board of UNCTAD's contribution to the implementation of the UN-NADAF

2. For the Board's consideration of this item at its forty-seventh session, the UNCTAD secretariat prepared a report on "Capital flows and growth in Africa". The report maintained that growth in Africa continues to be too erratic and too slow to permit an increase in both living standards and domestic savings. Since private capital inflows, particularly foreign direct investment (FDI), lag behind, rather than lead growth, the task of filling the resource gap inevitably falls on official financing. Breaking the vicious circle of low growth and poverty requires *inter alia* a sustained injection of external financing in amounts large enough (double the current flows of official development assistance (ODA)) to give a major push to the region to accelerate and maintain growth at levels higher than in the past and thereby reduce aid dependency in the future. The discussion at the Trade and Development Board, with the participation of experts, led to the adoption of agreed conclusions on many of the above-mentioned aspects.

3. The United Nations General Assembly, in its resolution A/RES/55/182 of 18 January 2001, requested the Secretary-General to ensure the initiation by UNCTAD of the preparatory process for the final review and appraisal of the implementation of the UN-NADAF in the areas falling within its mandate for consideration by the General Assembly at its fifty-sixth session. The General Assembly identified the following areas in particular: diversification and supply capacity, resource flows and external debt, foreign direct and portfolio investment and access to technology with special emphasis on African trade issues. With regard to the above, the secretariat is undertaking an analysis of the implementation of the UN-NADAF for the consideration of the Trade and Development Board at its forty-eighth session and the General Assembly at its fifty-sixth session.

4. In the continuation of the project funded by the Government of Japan on Economic Development and Regional Dynamics in Africa: Lessons from the East Asian Experience, a workshop on "Management of capital flows: Comparative experiences and implications for Africa" was hosted by the Government of Egypt in Cairo on 20 and 21 March 2001. The workshop brought together participants from 14 African countries[1] and seven experts who presented papers commissioned for

[1] Cameroon, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Ghana, Kenya, Mozambique, South Africa, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

that purpose. The workshop covered issues on capital flows, public debt and macroeconomic management, experiences with capital account liberalization and management of the capital account and the corporate sector. The outcome of the workshop will be brought to the attention of the Trade and Development Board and the papers will be published by the secretariat.

B. *Least Developed Countries Report 2001*

5. The first part of the Least Developed Countries Report 2001 will review recent developments in the least developed countries, including trends in external aid flows, external indebtedness and debt relief and external trade. The second part will focus on the specific problems of poverty reduction in the least developed countries, the ways in which poverty may be alleviated through a development strategy focused on enhancing productive capacities, and the role of international action in poverty reduction.

SECTORAL ISSUES

A. International trade

1. UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP)[2]

(a) Mid-term evaluation

6. An evaluation of JITAP was effected in 2000 by an external team consisting of two private consultants and two representatives of the donor community. Its broad assessment is encapsulated in the paragraph reproduced below:

> "The Joint Integrated Technical Assistance Programme (JITAP) has been a path-breaking effort to address the problems of least-developed and other poorer developing countries in their relations with the Multilateral Trading System (MTS). In that way, it is an instrument to address the key issue of trade and poverty, although this aspect needs to be made more explicit. Very rarely have three multilateral agencies joined together in a combined effort to undertake joint programming of technical assistance in any field ... While there is increasing cooperation and collaboration among agencies, joint programming is a rare occurrence. JITAP therefore constitutes an innovative approach to technical assistance. JITAP's experience so far offers extensive insights into the methodologies and mechanisms for trade-related technical assistance (TRTA)."

7. The evaluation team also suggested the expansion of the programme to include a wider number of African countries. Subsequently, the Chairman of the African Group in Geneva, in a letter addressed to the Secretary-General of UNCTAD in January, expressed agreement with the evaluation report. The Group considered that among the noteworthy contributions of the project were the following: "human resource development; improved understanding of issues in the multilateral trading

[2] The beneficiary countries are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and United Republic of Tanzania.

system, facilitation of preparations for the Third WTO Ministerial Meeting; provision of ground work for the building of export sector strategies in beneficiary countries; upgrading of capacities in customs and standards and the enhancement of public-private sector collaboration on issues in the multilateral trading system; generating a more positive attitude toward the multilateral trading system and the WTO, including in the private sector; and, its contribution to institutional capacity building efforts in the beneficiary countries". Finally, the African Group requested donor countries to consider favourably the need for the maintenance of a minimum period of support for the consolidation of benefits accrued from the project.

(b) Activities undertaken by the JITAP

(i) Support to MTS institutions: Institutional Committees on the WTO

8. The main objective of the Inter-institutional Committees (IICs) is to provide for the coordination and management of national trade policy mechanisms for the implementation of WTO Agreements and preparation for trade negotiations with a view to strengthening the country's effective participation in, and maximization of benefits from, the system. An effort is now being made to revitalize IICs, and will be done through the fielding of international consultants, assisted by national consultants. The studies would be considered at national retreats of the IICs and at high-level regional meetings in West Africa and East Africa respectively.

(ii) Assistance to customs

9. The purpose of this activity has been to enable national customs organizations to implement the new rules of the MTS on customs issues and in particular the WTO Customs Valuation Agreement (CVA) and Rules of Origin. JITAP has made an important contribution through its activities in most member countries, including by the training of a large number of persons through sub-regional workshops and through local training. Seven countries have so far benefitted from this training. One noteworthy example has been Kenya, where nearly 600 customs officials and private sector personnel have undergone local training.

(iii) Adjustment of laws and regulations

10. The aim of this activity is to bring national legislation of JITAP countries to conform to the rules and agreements of the MTS. Activities have made a modest contribution, through enabling inventorization of decrees and laws, supply of model legislation and facilitating the drafting of legislation. JITAP has also stimulated sub-regional cooperation, through the exchange of experiences in reforming trade-related legislation, as is evident from Uganda's initiative to host the sub-regional seminar on the implementation of WTO Agreements in October 2000.

(iv) Reference centres

11. Two or three reference centres have been established in each country to provide documentation and information on the MTS to officials, the business community, academia, the media and the general public. Relevant documentation from UNCTAD, ITC and WTO has been supplied to most of these reference centres.

(v) Trade information management

12. This activity aims at contributing to the strengthening of national trade information services. Under JITAP, consultants have been fielded to undertake relevant studies and national workshops have been organized. So far, due to financial constraints, there have been no activities in Côte d'Ivoire and Kenya. Further activities are planned to develop a national network of trade information producers and providers. Consideration is being given to the establishment of Trade Points within the broader framework of trade information services.

(vi) Networking programme partners and national networks

13. This activity aims at the establishment of a communication and discussion facility (CDF), which will link up, through the Internet, JITAP's training networks and reference centres, as well as the Geneva-based institutions. Feasibility studies, prototype design and testing and selection of the software developer have been completed. The main concern is the cost and the sustainability of this type of mechanism in the aftermath of JITAP.

(vii) Human resource development and improvement of MTS knowledge

14. A large number of activities have been undertaken. In terms of resource allocation, this activity is probably the largest and the most significant with regard to outcomes and potential for further expansion. Several types of training activities – three Geneva seminars, about 20 sub-regional seminars on specialized subjects and some local training – have been undertaken. It is generally agreed by Governments and participants that the Geneva seminars have made a valuable contribution to the understanding of the MTS, particularly as these seminars trained a large number of persons, who in turn trained those at the local level. Sub-regional seminars were also highly appreciated as they trained some 400 persons in various specialized fields.

15. Action to establish local networks of trainers is under way. However, apart from Kenya and Uganda, where important progress has been made, local training has not been extensive in other countries, as funding remains a major problem.

(viii) General studies and national symposia

16. Country-specific MTS impact studies have been undertaken and at least four of them have been finalized. The East African studies and that for Ghana were satisfactory, while those for the French-speaking West African countries fell short of the required standards and are in the process of being revised. Studies of transfer of technology policies for the four English-speaking countries have been completed.

17. The evidence is that national symposia are valuable in raising the awareness of MTS issues at the country level. They also provide useful inputs into the revision of the MTS impact studies and to the further refinement of export matrices and export-sector strategy formulation processes. The symposia were also beneficial as they helped these countries prepare for the Third WTO Ministerial Conference.

(ix) National and sectoral strategies

18. So far, ITC has prepared export matrices on priority products and markets. These reports have been discussed at national symposia and there is now a consensus on the priorities for export sector development. In many countries, it is clear that this activity is considered a high priority. Therefore, more attention is called for in consolidating and advancing the results achieved so far. The developed export matrices were generally considered high quality.

(x) Trade Secrets - The Export Answer-Book

19. In several countries, this handbook is in the process of being finalized. The work is being undertaken almost exclusively by trade promotion organizations (TPOs).

(xi) Export financing

20. Two tasks are being undertaken – the adaptation of the generic manual "How to Approach Banks" to individual JITAP countries; and analytical studies on export financing arrangements.

(xii) Quality management and export packaging in the MTS context

21. The aim of this activity is to support the establishment of national enquiry points (NEPs) within national standards bodies. NEPs should make available the relevant information on the Agreement on Technical Barriers to Trade (TBTs) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS). JITAP has provided various country standards bureaux with equipment, study tours for its personnel and access to the "DIN Global" package, which is a database containing information on standards, developed by the German Standards Institute (DIN) in Berlin. The contribution made by JITAP has been highly appreciated by these standards bureaux.

2. Integrated Framework for Trade-related Technical Assistance to Support Least Developed Countries in their Trade and Trade-related Activities

22. Following last year's proposals put forward in a joint statement by the heads of the six core agencies for the Integrated Framework (IF) for the improvement of the implementation of the IF, intensive follow-up has been undertaken. Over the past months this follow-up has been conducted by the agencies within the regular meetings of the Inter-Agency Working Group (IAWG) and with Geneva-based donor and LDCs representatives. Progress reports on these various follow-up initiatives have been submitted and discussed in the WTO Sub-Committee on the Least Developed Countries and in the WTO General Council. The three key proposals focused on by the process were the following:

- Mainstreaming of trade priorities into LDCs national development and poverty reduction strategies;

- Establishing an Integrated Framework Trust Fund and seeking donor support for, and voluntary contributions to, the Fund (IFTF) to assist in such mainstreaming and for developing and implementing programmes and projects;

- Establishing an IF Steering Committee which would provide policy oversight and serve as a forum for continuing evaluation of progress with greater accountability, transparency and ownership.

23. It was agreed by all concerned that trade priorities should be mainstreamed into LDCs' overall development strategies. It is in this context that the six core agencies jointly organized an Integrated Framework seminar on: "The Policy Relevance of Mainstreaming Trade into Country Development Strategies - Perspectives of Least Developed Countries", held in Geneva from 29 to 30 January 2001. The objective of this seminar was to improve understanding of the concept and process and also to provide tools for mainstreaming trade. The outcome of the seminar will constitute an input to the UNLDC III as a joint contribution by the six core agencies.

24. As a way of giving practical and concrete effect to the new implementation arrangements for the IF, the WTO Sub-committee on the Least Developed Countries at its 23rd session, held on 12 February 2001, adopted the Integrated Framework Pilot Scheme. This scheme will assist countries which have demonstrated a clear choice and commitment to mainstream a "trade integration chapter" as part of their overall development strategies such as Poverty Reduction Strategy Papers (PRSPs) or the United Nations Development Assistance Framework (UNDAF). The terms of the scheme envisage the establishment of: an IF Trust Fund with two windows (for earmarked and non-earmarked contributions respectively); an IF Steering Committee for policy guidelines and oversight, coordination, monitoring and assessment of IF progress; and an Interagency Working Group to perform Trust Fund functions which will include exchange of information, coordination of events, preparation of the work programme and budget and sequencing of activities. Trust Fund resources will be devoted to assisting LDCs in developing an analytical and policy framework for mainstreaming trade into national development strategies and for developing costed proposals for programmes and projects. A pilot scheme has initially been agreed for three LDCs – Cambodia, Madagascar and Mauritania. Pledges of US$ 4.5 million have been made to the Trust Fund by the European Community, Denmark, Canada, United Kingdom, Norway, the Netherlands, Sweden, UNDP and the World Bank. In the light of lessons learned from the pilot scheme, consideration will be given to its extension to other LDCs.

3. Third United Nations Conference on the Least Developed Countries

25. By mid-March 2001, the LDC III secretariat had received 29 national programmes of action (NPOA) from African LDCs. Nine of these have received government approval (Benin, Burkina Faso, Chad, Eritrea, Guinea, Malawi, Sudan, Togo and Zambia). The remaining 20 are expected to be approved shortly.

26. UNCTAD has provided support to African LDCs in the preparation of these NPOAs through the services of regional coordinators and country officers. Furthermore, in preparations for the LDC III Conference, to be held in Brussels in May 2001, a large number of events have taken place dealing with substantive issues to be addressed by the Conference including trade, investment, gender, tourism, commodity diversification, etc. The Secretary-General of UNCTAD participated in many of these activities and chaired the African Ministerial Preparations for LDC III organized by the ECA in Addis Ababa.

4. UNDP/UNCTAD Technical Assistance Programme for Africa

27. In collaboration with UNDP/UNOPS and OAU/AEC as well as several sub-regional groupings, UNCTAD implemented several studies, workshops and advisory missions for sub-Saharan African countries on the WTO built-in agenda negotiations covering agriculture and services. Two subregional workshops on trade in services, drawing upon studies under the Coordinated African Programme of Assistance on Services (CAPAS), were organized respectively in March for East African Community (EAC) countries (Kenya, United Republic of Tanzania, Uganda), together with Burundi, Eritrea, Ethiopia and Rwanda; and in June for Southern African Development Community (SADC) countries. Three workshops were held respectively on (i) agriculture and ACP-EU trade relations under the Cotonou Agreement in November (Brussels, Belgium); (ii) WTO-mandated negotiations on services in November (Geneva, Switzerland); and (iii) emerging issues in the WTO in December (Port Louis, Mauritius). Several sectoral and thematic technical papers were prepared and discussed at these workshops, which will be compiled and published in 2001. Advisory missions on Africa's participation in international trade negotiations, upon request, were undertaken in: (i) the high level seminar on instruments for trade promotion of evaluation in Central Africa in November (Douala, Cameroon); (ii) the OAU/AEC Third Trade Ministers Conference in September (Cairo, Egypt); and (iii) the Third Ministerial Meeting of ACP Trade Ministers in December (Brussels, Belgium).

Impact

28. Building of a stock of economic intelligence on Africa's critical trade and development interests in the context of international trade negotiations at the national, subregional and regional levels has been vital for African countries both in the context of WTO negotiations, and the ACP process. It is hoped that the UNDP will continue to finance such activity in cooperation with UNCTAD particularly in the context of preparations and follow-up to the Fourth Ministerial Meeting of the WTO.

5. Commodities

(a) Diversification and commodity-based development

29. African countries are the major beneficiaries of the project "Capacity building for diversification and commodity based development", which is in line with the principles contained in the draft "Operational Framework for Action on Diversification of African Economies" (see paragraph 24 of TD/B/EX(25)/2). Among the seven regional workshops planned under the project, four were planned for Africa, two of which have already taken place.

30. The first workshop focused on growth and diversification in African mineral economies, held in Capetown, from 7 to 9 November 2000. Recommendations were made by participants on: (i) how to attract and retain foreign investment in the mining sector; (ii) how to ensure that the mining sector becomes an engine of growth and how to manage mineral revenues; and (iii) what should be done at a local level for the diversification and development of regions dependent on mining. The immediate impact of the workshop has been requests for specific follow-up activities from two African countries.

31. The second workshop was held in Bamako on 13-15 February 2001 for francophone countries, focusing on the diversification and development of the horticulture sector in Africa. Several success

stories of horticultural sector dev lopment and modules on important aspects of horticultural trade such as logistics, quality and health concerns in importing countries and structured finance were presented. The recommendations, addressed to African Governments, the business sector and the international community, covered issues related to (i) organizational effectiveness, (ii) African horticultural sector and the market, and (iii) financing requirements.

32. Two further workshops planned for Africa relate to diversification and development of the horticulture sector for Anglophone countries (Nairobi, 29-31 May 2001) and trade expansion and finance for Africa's fisheries sector to be held in autumn 2001, the venue of which is to be determined.

33. With a view to promoting transparency and facilitating interaction among a wide audience, a dedicated window has been opened in the Infocomm portal (http://www.unctad.org/infocomm/diversification/). The agendas and relevant material commissioned for the regional workshops are being posted on this website.

(b) Risk management and structured commodity finance

34. The fifth African Oil and Gas Trade and Finance Conference was held in March 2000 in Accra, Ghana. Some 120 people from throughout Africa, including several Ministers and key officials from most African petroleum importing and exporting companies, participated. The conference, funded by private sector sponsorship and the Government of Ghana, addressed the interface of the oil and finance sectors and the prospects in offshore exploration in the Gulf of Guinea. Training on risk management was provided for the participants in cooperation with the New York Mercantile Exchange. Furthermore, a set of documents relating to emerging commodity exchanges worldwide, and particularly to those in Africa, were distributed at an UNCTAD-organized workshop held during the Burgenstock Futures Exchanges Conference,.

6. TRAINMAR

35. Activities carried out during the reporting period include: (a) delivery of training through TRAINMAR associated centres in Angola, Benin, Burkina Faso, Egypt, Togo and the United Republic of Tanzania; (b) organization of a series of information sessions for all permanent missions in Geneva including Angola, Congo, Egypt, Ethiopia, Mozambique and the United Republic of Tanzania; and (c) organization of a workshop for the establishment of the future TRAINMAR global Strategic Plan of Action. African TRAINMAR centres were represented by the TRAINMAR centre in Ivory Coast and the TRAINMAR Central Support Team.

36. In addition to the above, the TRAINMAR centre located at the Arab Academy for Science, Technology and Maritime Transport in Egypt undertook the development of an interactive CD-ROM course on environmental management in ports with a view to offer distance learning within the global TRAINMAR network. First results of this work were presented by the Academy at the Expert Meeting on Human Resources Development in Trade-Supporting Services: key to growth with special potential for LDCs, held in Geneva from 13 to 15 December 2000, to which many African countries contributed.

7. TRAINFORTRADE

37. An appraisal of the pilot project of the "Port Certificate", implemented in the three port

communities of Benin, Gabon and Senegal, was undertaken in a tripartite review meeting in Libreville in June 2000 which gave a positive assessment of the project, particularly as trainers from the ports themselves were largely conducting training activities. In addition, an evaluation mission will assess the impact of training activities in the above countries.

38. TRAINFORTRADE held a 3-week "Training of Trainers" seminar in Las Palmas, Canary Islands (Spain) for French-speaking African countries. Managers of port enterprises from Benin, Cameroon, Comoros, Guinea, Morocco, Togo and Tunisia participated. Another "Training of Trainers" seminar was held in Libreville in February 2001 for both the public and private sectors of the port communities of Gabon.

39. Two new videos, "Protection of the environment in ports", and "Management of container terminals", were produced which will form part of the distance learning material to be supplemented by modern technological tools to facilitate dialogue between instructors, trainers and trainees.

40. Benin, Mali and Burkina Faso are the beneficiaries of a TRAINFORTRADE project for strengthening training capacities in international trade. In Ouagadougou, UEMOA would be involved in the follow-up of different activities of this project, including delivery of TRAINFORTRADE courses. The first regional delivery of the course "The Formulation of a Competition Law and Policy" in Bamako, Mali was attended by 21 regional participants. Furthermore, a course on "Analysis of the effects of international trade policies with a global model" was held in Cotonou from 12 to 16 February 2001 for policy makers, executives and other social actors. There was a high level of satisfaction with the course. It was decided that working groups would be established to draw up a global model of foreign trade.

41. The course in English, "Trade, Environment and Development", was validated in Dar-es-Salaam, United Republic of Tanzania, in June 2000. Since participants' evaluation of the course was positive, it is now being translated into French. Discussions are under way with Angola to ascertain training needs, as well as other lusophone countries. A preliminary study mission was undertaken to Conakry, Guinea, in February 2001 to identify training needs and distance learning capacities for courses in the field of international trade and the port sector.

8. Technical Cooperation Project on Market Access, Trade Laws and Preferences

42. The main objective of this project is to increase the capacity of Governments and government officials from developing countries to negotiate regional and subregional trade arrangements with their developed country counterparts and among themselves. In this regard, since 1998 UNCTAD has been closely collaborating with the Industry and Trade Coordination Division (SITCD) of the SADC Secretariat, in providing technical advice in policy issues in the context of the implementation of the SADC Protocol on Trade aimed at establishing a free trade area (FTA) in the region.

43. In particular, UNCTAD has participated in each of the monthly meetings of the Trade Negotiating Forum (TNF), providing technical advice on several issues, including tariff dismantling, rules of origin, dispute settlement mechanisms, anti-dumping and, more recently, trade in services. UNCTAD also contributes to the substantive preparation and follow-up to the meetings, in collaboration with the SITCD Secretariat based in Dar-es-Salaam. In the reporting period, UNCTAD has undertaken eight missions and provided technical reports, studies, lectures and advice on numerous aspects of the SADC FTA.

B. Services development

1. Coordinated African Programme of Assistance on Services (CAPAS)

44. In 2000, two regional seminars for EAC member States (Nairobi, Kenya, 2-3 March) and SADC member States (Maseru, Lesotho, 7-9 June) were held under phase III of the CAPAS Programme. These seminars were held as part of the series of seminars launched at the end of 1999, with the aim of assisting participating African countries in their preparations for the mandated GATS negotiations.

45. At the last sub-regional workshop for SADC countries held in Maseru, CAPAS IV was launched. The objective of CAPAS IV is to help African countries formulate approaches for sub-regional trade liberalization in services and strengthen their negotiating capacities in the GATS negotiations.

46. As a result of the Maseru Plan of Action, agreed by the SADC trade ministers, CAPAS IV is supporting SADC integration in services. Thus, SADC is using CAPAS as an instrument for services trade negotiations at multilateral, regional and sub-regional levels. The second SADC Trade Negotiating Forum (TNF) on services, under the umbrella of CAPAS, was held in Geneva on 30 November to 1 December 2000. At this forum, SADC senior officials decided on the service sectors of particular interest for sub-regional integration, which included tourism, communications, transport, construction, energy-related and financial services. SADC is in the process of seeking funds for the programme.

47. At the end of 2000, a workshop was held to inaugurate CAPAS IV. The workshop brought together African senior officials from capitals and sub-regional secretariats, Geneva-based delegates and the CAPAS researchers to address issues of interest to African countries in the current GATS negotiations.

2. Trade Point Programme

48. By the end of 2000, Trade Points were operational in Burkina Faso, Côte d'Ivoire, Egypt, Morocco, Senegal and Zimbabwe. Four Trade Points are in the process of being established as legal and operational entities (in Ethiopia, Tunisia, Uganda and the United Republic of Tanzania). Fifteen Trade Points are at the feasibility stage (in Algeria, Benin, Cameroon, Cape Verde, Gabon, Guinea-Bissau, Kenya, Mali, Mauritius, Mauritania, Mozambique, Sao Tome and Principe, South Africa, Sudan and Zambia). Furthermore, requests from 12 African countries have been received for assistance in the establishment of Trade Points (Angola, Botswana, Chad, Djibouti, Eritrea, Gambia, Ghana, Lesotho, Madagascar, Malawi, Namibia and Togo).

49. Last year saw a revival of interest in a number of African countries in the Trade Point Programme, which is often perceived as a contribution to the narrowing of the digital divide. In particular, South Africa decided to adopt the Trade Point model as the backbone of its trade and investment development programme for SMEs. South Africa also offered to host an African Trade Point meeting in June 2001.

50. Trade Point Dakar was able not only to develop trade information services, but also to embark

on an important trade facilitation programme, unique in its kind, relying mostly on local resources. The Egyptian International Trade Point has managed to create a national network of eight fully operational Trade Points covering the regions with the highest concentration of enterprises in need of Trade Point services and is in the process of setting up three additional Trade Point offices in the country.

51. Twenty-five representatives from 15 African Trade Points attended the Sixth World Trade Point Meeting in Geneva (6-10 November 2000), where they presented their services and actively contributed to the debates. The meeting decided, *inter alia*, to create the World Trade Point Federation. African Trade Points have three seats on the 14-member Steering Committee.

3. ASYCUDA

52. The Automated System for Customs Data (ASYCUDA) has been installed or is currently being implemented in 27 African countries, with another six projects currently being formulated and awaiting donor funding. The system is used by 13 countries in the COMESA region and 10 countries in ECOWAS. In CEMAC, two countries use ASYCUDA whilst there are two other user countries that are not members of regional groupings.

53. Discussions continue with regard to strengthening the regional support for user countries and an extension is being sought to the already existing ECOWAS project. The COMESA Phase II, project has now been established in Lusaka and UNCTAD have been formally requested to submit a proposal for a regional support centre to be established within the COMESA Secretariat, utilizing UNCTAD technical expertise in conjunction with regional experts.

4. E-commerce

54. In November 2000, a High Level Meeting on E-Commerce and Fiscal Revenue was held in Abuja, Nigeria. Representatives from over 30 countries attended the meeting. The meeting discussed the implications of e-commerce for the fiscal revenue of developing countries with particular reference to the potential impact of multilateral agreements on e-commerce taxation on custom revenue. The Meeting also allowed for a useful exchange of experiences in the implementation of the ASYCUDA project and a discussion of a future strategy of this programme at a regional level.

5. Transport

55. The work provides input to policy formulation and technical assistance activities. Specific issues of particular relevance to African countries include *The Review of Maritime Transport* (annual publication). A chapter of the Review published in 2000 focused on economic and maritime transport developments in sub-Saharan Africa and contained information on economic growth and trade, African merchant fleets, movement of major dry bulk cargo, movement of crude oil and petroleum products, liner services and transport costs. A study on the use of information technology in small ports provided information for those African countries that were considering or undertaking the implementation of information technology. An example of the use of IT by the Gambia port Authority was given.

56. The Advance Cargo Information System (ACIS) is a management information system that improves transport efficiency by tracking equipment and cargo on transport modes (rail, road and lake/river) and at interfaces (ports and dry ports) and providing advance information on cargo arrival.

The RailTracker module of the ACIS system has now been installed in 14 African countries and implementation discussions are presently underway with three additional countries. ACIS is playing an important role in developing trade and reinforcing integration of neighbouring countries. It enables transport operators to communicate vital information both internally and externally that they require in order to improve efficiency along their transport corridors. RailTracker has reduced transit times, increased wagon productivity, reduced wagon delays, improved the reliability of transport and improved cash flow.[3]

57. The Rolling Stock Information System (RSIS) Project in Southern Africa will become operational in 2001. The system links together the information systems of 11 railways of the sub-region (four using the South African Railways SPRINT system and seven using the UNCTAD/ACIS RailTracker system).

58. Technical assistance projects to rehabilitate the Somali Port Management in the northern ports of Berbera and Bosaso continued and contributed to the improved flow of commercial and relief cargo to the Ethiopian highlands. Work started on the preparation of a memorandum of understanding for transit cargo through Berbera.

6. Insurance and finance

59. In 2000, UNCTAD organized a conference on "Developing Credit Insurance in Africa and the Mediterranean" in Tunis in October 2000. Over one hundred delegates participated in the meeting and considered the issues of credit insurance, reinsurance and credit information in Africa and Mediterranean developing economies. A working group was established comprising the co-organizers of the conference, the World Bank and the Berne Union. The Working Group was asked to follow-up in a regular manner the developments in the area of credit insurance and credit information in African countries. In May 2000, UNCTAD also organized a credit insurance meeting in Nigeria in the framework of the annual conference of the African Insurance Organization.

7. Multimodal transport and trade facilitation

60. In 2000, the project document on "Developing Training Capabilities in International Trade for Benin, Burkina Faso and Mali" was signed by the French Government. One of the components of the project refers to multimodal transport and logistics. It includes various workshops and the realization of short national studies on logistics of international trade, in close coordination with nominated national counterparts. Initial contacts were made toward the execution of the component activities.

61. Moreover, with close ITC cooperation, under their project URT/97/004, an in-depth study on "Trade Facilitation in the United Republic of Tanzania" was conducted and completed by UNCTAD in 2000. The study was submitted to the authorities in the United Republic of Tanzania for their action.

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[3] See para. 52, TD/B/EX(25)/2.

C. Debt and debt management

1. Paris Club

62. The UNCTAD secretariat continues to participate as an observer in meetings of the Paris Club for the renegotiation of developing countries' official bilateral debts. The pace of the Paris Club activities stepped up considerably over the last year. In 2000 and the first quarter of 2001, a total of 20 countries concluded new agreements on the rescheduling or restructuring of their debts with Paris Club creditors. Fourteen of the countries were from sub-Saharan Africa. Eight were Heavily Indebted Poor Countries (HIPCs) which obtained relief on their debts under the HIPC initiative. Uganda, the first country to reach completion point under the enhanced framework, in September 2000, benefitted from a stock-of-debt operation whereby the previous debt reduction was topped up to Cologne terms. Seven other African HIPCs – Cameroon, Guinea-Bissau, Madagascar, Malawi, Mauritania, Niger and the United Republic of Tanzania – obtained flow reschedulings on Cologne terms, i.e. 90 per cent debt service reduction in present value terms, with creditors in general choosing the option of outright cancellation of payments due during the consolidation period. Two other HIPCs, Ethiopia and Sao Tome and Principe, secured Naples terms relief, involving a 67 per cent debt service reduction in present value terms. Djibouti, Gabon, Kenya and Nigeria for their part concluded new rescheduling agreements on non-concessional terms for periods ranging from one to two years (except for Gabon which only regularized arrears). In addition to these 14 countries, five African HIPCs – Benin, Burkina Faso, Mali, Senegal and Zambia – had their existing Paris Club agreements topped up to Cologne terms.

63. Through its analytical work on the development and external financing problems of African countries, as well as specific advisory services aimed at helping those countries strengthen their debt management and negotiation capacities, UNCTAD can play a valuable role in helping debtor countries obtain optimum debt relief. The last year witnessed renewed demand for such assistance.

2. HIPC initiative

64. The debt overhang remains one of the major problems faced by African countries. Thirty-three of them are HIPCs; others in principle benefit from special measures in favour of the LDCs. Continuation of UNCTAD's research and policy analysis in the area of developing country debt, including that of the African countries and the HIPCs, over the last year was reflected in the annual report on the debt situation of developing countries submitted to the General Assembly (A/55/422). The report discussed the problems associated with the design and implementation of the HIPC initiative, including its financing. It suggested that even the enhanced initiative does not provide an adequate response to HIPC's debt problems and that a bolder approach will have to be taken to remove their debt overhang. Moreover, although most of the debt-distressed African countries are either HIPCs and/or LDCs, there are notable exceptions and a discussion of African debt problems cannot be confined to initiatives in favour of these country categories alone.

3. Debt Management and Financial Analysis System (DMFAS)

65. During 2000, the DMFAS Programme fielded 25 missions to 11 different African countries, mainly for the installation/implementation of the new DMFAS version 5.2 (in some cases 5.1.2), capacity-building in debt management and participation in DMFAS seminars and regional workshops. UNCTAD's support to the region has to a large extent been delivered in cooperation with the Macroeconomic and Financial Management Institute in Eastern and Southern Africa (MEFMI).

66. From 30 October to 17 November 2000, a workshop on DMFAS 5.2 was delivered jointly by UNCTAD and MEFMI in Lusaka in the context of the existing cooperation agreement between the two institutions. The meeting was intended for supervisors and experienced DMFAS operators and gathered together approximately 30 participants from Angola, Uganda, Zambia and Zimbabwe. A detailed evaluation shows that the usefulness of the workshop was ranked highly by participants.

67. A regional initiative for francophone Africa similar to MEFMI, the "Pôle Dette", has recently been launched by the Banque Centrale des Etats d'Afrique de l'Ouest (BCEAO) and the Banque des Etats d'Afrique Centrale. An important issue in this respect is the funding for joint activities. The first result of this collaboration was a DMFAS mission fielded to Lomé, Togo, in November/December 2000. Training for both technical staff and end users was provided.

68. Also in francophone Africa, the DMFAS Programme organized two advanced technical workshops in Geneva for Mauritanian debt managers. The first workshop was on user-defined reports and took place in March 2000. The second was on Paris Club operations and took place in June 2000.

Impact

69. It is generally accepted that gains far exceed the cost of DMFAS country projects. The cost of these projects in Africa ranges from US$ 50,000 to over US$ 900,000, depending on the activities undertaken, the size of the debt database to be computerized and the equipment and staff included in the project. At the very least, DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping.

D. International investment and enterprise development

1. Investment

70. In the context of the joint UNCTAD-International Chamber of Commerce (ICC) project on investment guides and capacity-building for LDCs, the guide for Mali has been published. A guide for Uganda has been finalized and one for Mozambique is in the process of finalization. During the year 2000, workshops to discuss the guides with representatives from the local public as well as private sector (including foreign investors) were organized in Uganda and Mozambique. In addition, an evaluation of the project's pilot phase by an independent 5-member panel was initiated and completed in February 2001.

71. Dissemination of the fact sheet entitled "Focus on the New Africa" – produced in cooperation with the ICC, UNDP and the Multilateral Investment Guarantee Agency (MIGA) – continued in the reporting period. The fact sheet which gives an overview of positive, but little known facts about Africa as a location for FDI was distributed to a selected list of 13,000 decision-makers in TNCs worldwide.

72. The project on "Needs assessment to attract Asian FDI into Africa " is set in the context of South-South cooperation. It seeks to strengthen the understanding of how African countries, in

particular least developed countries (LDCs), can attract FDI from Asia and utilize it effectively for development. By sharing the experiences of Asian firms, it can also serve to enhance the involvement of the private sector in LDCs. The project aims to raise the awareness of Asian investors regarding the investment potential offered by African countries and to improve the institutional mechanisms required to develop the private sector in Africa. Needs assessment reports and country investment profiles on Botswana, Ghana, Madagascar, Mozambique and the United Republic of Tanzania have been produced. They will be discussed at a high-level Round Table in the summer of 2001.

(a) Advisory Services on Investment and Training

73. As part of UNCTAD's capacity-building programme on investment promotion, the Advisory Services on Investment and Training (ASIT) organized two training workshops in Cairo (June 2000) for senior and middle-level Egyptian diplomats, respectively. The training covered investor targeting, international best practices in investment promotion and the role of diplomatic missions in the promotion of FDI.

74. In July 2000, UNCTAD contributed to a training programme organized by the Multilateral Investment Guarantee Agency (MIGA) in Lusaka, Zambia, for officials of investment promotion agencies from the SADC region.

75. Further to the programming mission in 1999, ASIT is cooperating with UNIDO in modernizing the rules and procedures relating to free zones in Djibouti. It provided advice to the Djibouti investment promotion agency on a new work programme and on the implementing of an Internet based information system. UNCTAD reviewed Kenya's draft Investment Code and prepared an Advisory Report thereon. The Chairman of the Kenyan Investment Promotion Centre (IPC) was briefed on UNCTAD's recommendations in early 2001.

76. In Mali, a technical assistance programme with the Investment Promotion Centre is under development. This programme should strengthen the institution in its investment promotion and targeting activities.

77. Uganda implemented the "Big Push" strategy on investment promotion recommended in UNCTAD's Investment Policy Review of Uganda. Nine task forces were established and carried out work related to reviewing and streamlining the government machinery; conducting pre-feasibility studies on air cargo and inland port and reviewing investment potential, in particular, of the cotton sector, education, medical services, printing, information technology, communications and financial services. The work of the task forces was presented to the President of the country in October 2000.

78. UNCTAD carried out an Investment Policy Review for Mauritius and convened a national workshop in November 2000 to discuss the findings. The Government has requested follow-up activities for the implementation of the recommendations.

79. In 2001, UNCTAD will be undertaking three new Investment Policy Reviews in Africa: Botswana, Ghana and United Republic of Tanzania,.

(b) International Investment Agreements Programme

80. Work also continued in UNCTAD's work programme on capacity-building in developing

countries on issues in international investment agreements (IIAs) in 2000 and 2001. The programme provided expert advice and facilitated several rounds of bilateral investment treaty (BITs) negotiations. Some 42 BITs involving African countries have been signed as a result. Participants have included: Benin, Burkina Faso, Chad, Comoros, Egypt, Ethiopia, Ghana, Guinea, Libyan Arab Jamahiriya, Mali, Mauritania, Mauritius, South Africa, Zambia and Zimbabwe. Training courses for such negotiations are being undertaken. One such course is scheduled to take place from 5 to 16 June 2001 in Alexandria, Egypt, for francophone countries. A pilot seminar for NGOs from the Southern African region was held in February 2001 in Namibia from 13 to 15 February 2001. Participants included 20 representatives from 21 NGOs, community-based organizations and trade unions from the Southern African region.

2. Enterprise development

(a) Women entrepreneurs in Africa: Experience from selected countries

81. A report was issued which contains results of the research undertaken within UNCTAD/UNIDO projects on women entrepreneurs in several African countries. In particular, it highlights obstacles faced by them and reviews recommendations for overcoming these obstacles. The recommendations are based upon the experience of women entrepreneurs, government agencies and non-governmental business support institutions, as encountered in the research and project activities of the two organizations.

(b) Technical cooperation activities

82. Within UNCTAD's Entrepreneurship Development Programme (EMPRETEC), programme activities are being continued aimed at development and strengthening Centres for Innovation and Enterprise Development (CIEDs). In Ghana and Zimbabwe work plans to ensure closer cooperation between EMPRETEC programmes in both countries and the CIEDs are now firmly established. A first EMPRETEC Workshop on Marketing and Exporting of Food Products took place from 22 to 24 August 2000 in Accra (Ghana).

83. UNDP's Enterprise Africa programme is a regional initiative designed to promote entrepreneurship and enterprise development in sub-Saharan Africa. UNCTAD was selected as a partner organization to implement new EMPRETEC-like projects in Africa under the Programme and will cooperate together to meet the growing demand for the EMPRETEC programme by African LDCs.

84. UNCTAD's Mediterranean 2000: Institution-building and entrepreneurship programme, funded by the Government of Italy – a three-year capacity-building programme – aims to contribute to economic and social development by strengthening institutional capacity to support small and medium-sized enterprises and to grow and compete in 10 developing countries in the Mediterranean Basin and the Horn of Africa. During 1999/2000, activities were initiated or consolidated in the following African countries: Egypt, Ethiopia, Morocco, Tunisia and Uganda.

(c) Enhancing public-private sector dialogue and small and micro enterprises development

85. National consultants from Ethiopia, Madagascar and the United Republic of Tanzania produced reports on their respective countries which examine the extent to which public-private

sector dialogue has resulted in a coherent policy framework in the areas of enterprise development and the particular problems of small and micro enterprises in engaging in dialogue with the Government. These reports will form the basis for policy recommendations and background material for seminars at the national level. During the reporting period, programming missions were carried out to all three countries on the key elements of a coherent enterprise development strategy. The synthesis report is in the process of being published in time for UNLDC III.

(d) Environmental accounting

86. Within UNCTAD's work on environmental accounting, aimed at improving environmental financial accounting and enterprise reporting by providing guidance to both standard-setters and preparers and users of financial statements, a regional workshop was held in Nairobi from 13 to 14 March 2001 at the request of the Eastern, Central and Southern African Association of Accountants. Over 70 participants from five countries: Kenya, South Africa, Uganda, Zambia and Zimbabwe, including accounting practitioners, chief executive officers, financial directors, accountants, environmentalists and government policy-makers attended the workshop.

E. UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development

87. Several missions have been undertaken to Mali and Tunisia in connection with the UNCTAD/UNDP programme on globalization and sustainable human development. This programme explores the connections between liberalization and sustainable human development by looking at the implications of these connections for the design and implementation of national development strategies.

F. United Nations System-wide Special Initiative on Africa (UN-SIA)

88. As lead agency for trade access and opportunities in the context of the UN-SIA, the UNCTAD secretariat has continued to report on interagency activities. In particular, UNCTAD was requested to organize an interagency meeting on a draft Operational Framework for Action on Diversification of African Economies. In this context, a meeting is being convened for 11 June 2001 with the participation of the relevant United Nations agencies and other intergovernmental bodies to consider ways and means of implementing the Operational Framework at the country level. Furthermore, the report of the meeting will also serve as an input to the High-level Segment of the Economic and Social Council devoted to Africa in July 2001.